

Introduced by Senator Walters

February 21, 2012

An act to add Section 7507.3 to the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

SB 1143, as introduced, Walters. Public employees' benefits: postemployment health care.

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees' Retirement System, establishes provisions governing postemployment health care benefits for members and their families, upon meeting vesting requirements and subject to various limitations. Existing law also establishes various postemployment health care benefits under other benefit systems, including those offered by counties, districts, and cities.

This bill would require a public employer, as defined, to fund actuarially postemployment health care benefits to be provided to its public employees, in accordance with generally accepted accounting principles for governments, as specified, to ensure that those benefits are fully funded.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7507.3 is added to the Government Code,
2 to read:

1 7507.3. (a) Notwithstanding any other law, a public employer
2 shall fund actuarially postemployment health care benefits to be
3 provided to its public employees, in accordance with generally
4 accepted accounting principles for governments, using amortization
5 of unfunded liabilities over periods that do not exceed the
6 remaining service lives of current employees, for the purpose of
7 ensuring that those benefits are fully funded.

8 (b) For purposes of this section, the following definitions apply:

9 (1) “Public employee” means an officer, including those elected
10 or appointed, or an employee of a public employer.

11 (2) “Public employer” means:

12 (A) The state and every state entity, including, but not limited
13 to, the Legislature, the courts, and the California State University,
14 but excluding the University of California.

15 (B) Any political subdivision of the state, including, but not
16 limited to, a city, county, school district, community college
17 district, joint powers authority, joint powers agency, and any public
18 agency, authority, board, commission, district, or other entity, but
19 excluding a charter city or charter county.